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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, GUATEMALA — 657 DESP. NO.

TO : DEPARTMENT OF STATE, WASHINGTON. — February 1, 1954

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For Dept. Use Only	TAGS FOR DEPT.	CASE NO.	Action Assigned to
	OLI-10	INFO	DC/R-2 / RA-2 S/MSA-5 EUR-5
	REC'D 2/5	OTHER	Action Taken Army-75 Navy-34 Air-24 OSD-2 OCB-1

SUBJECT: Joint Weeka No. 4 from State, Army and Air Departments, USIA-8 CIA-13
From CA

Date of Action 1/29

SUMMARY

Action Office Symbol 1/6

The Arbenz Administration during the week moved to forestall a possible attempt to overthrow the government by arresting important figures in the underground movement supposedly plotting on behalf of Colonel Carlos CASTILLO Armas and [illegible] Ydigoras Fuentes, the anti-Communist exile leaders in Honduras and El Salvador, while others took refuge in foreign missions. In a corollary move police took into custody a group of anti-Communist radio station and program directors and the leaders of the country's only anti-Communist labor organization in an apparent effort to muffle the voice of the opposition. In all, some dozen persons are known to have been arrested, four or more of these were expelled across the Mexican border and three others took refuge in foreign embassies.

Rumors continued to circulate about last week's sudden and mysterious departure of Major Alfonso MARTINEZ, Chief of the National Agrarian Department and long-time intimate of the President, for Switzerland, and versions that he had clashed with President Arbenz' pro-Communist views gained wide currency.

Reports about the supposed anti-Government plot stimulated speculation about loyalties of senior Army officers and the best evidence appeared to be that while the bulk of them remained attached to the Arbenz Administration a few influential officers were troubled about growing Communist influence, though they were neither organized nor prepared to act.

DOMESTIC AFFAIRS

Police Arrest Group Apparently Involved in Castillo Armas-Ydigoras Fuentes Plot: Seeking to a premature climax the rumors recently circulating of an imminent anti-government plot (Weeka 3), the Guatemalan police this week struck at the internal opposition to the Arbenz regime by arresting various persons presumably associated with the organization of Colonel Castillo Armas and General Ydigoras Fuentes, and scaring others into taking refuge in Central American diplomatic missions. Among those reportedly associated

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REPORTER

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with Castillo Armas' group who were involved in the week's development were, Miguel CAMACHO Labbé, a member of the Guatemala City Municipal Council said to be Castillo Armas' personal representative in Guatemala, and Major Enrique Trinidad OLIVA Quintaña, an officer retired from the Army after he was arrested and released for lack of evidence on a charge of complicity in Castillo Armas' unsuccessful attempt to capture Guatemala City's airport and Base Militar in 1950. Camacho took refuge in the Salvadoran Embassy and has left the country, while Oliva is under arrest. Another figure understood to be associated with the Castillo Armas group, Luis BELTRANENA Valladares, member of the Municipal Council and prominent leader of the Partido Unificación Anticomunista, also took refuge in the Salvadoran Embassy and left the country.

In addition, Guillermo DAVILA Córdova, reportedly personal representative of Idigoras Fuentes in Guatemala, was arrested and reportedly later put across the Mexican border. Several other Army officers and civilians were also taken into custody, went into hiding, or took refuge in foreign missions. One of those arrested, Gabriel FERNANDEZ, Camacho's nephew, has also been reported to have been expelled across the Mexican frontier.

The Guatemalan Government had apparently been concerned for some weeks by a plot or plots inspired by Castillo Armas and Idigoras Fuentes. Earlier in January President Arbenz had spoken to the Salvadoran Ambassador about the activities of Guatemalan exiles in El Salvador and the Guatemalan Ambassador in El Salvador had talked about this with President Osorio. It was reported that the authorities learned of the group's activities by suborning the courier carrying its messages across the frontier.

The government has thus far not told the press the scope of the supposed plot, although a bulletin has been promised today. The Minister of the Interior, Augusto CHARNAUD Mac-Donald, the Chief of the Armed Forces, Colonel Carlos Enrique DIAZ, and the Director of the Guardia Civil, Colonel Rogelio CRUZ Wer, all denied knowledge of the plot, but the Guardia Judicial, which serves as security police, stated flatly that a plot did exist. The Minister's position was that various people have merely been picked up for questioning about subversive activities.

Anti-Communist Radio Director and Labor Leaders Arrested: Concurrently with the arrests of those apparently involved in plotting, the police took into custody a number of radio and press figures including Roberto CASTILLO Sinibaldi, Director of Radio Ciro's and President of the private broadcasters' association, and Roberto VIZCAINO Rubio, Director of Radio Continental. No evidence came to light that they were directly connected with

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the supposed plot, although it was understood that Castillo, who was released, was questioned as to the identity of a person who approached him to obtain a recommendation for a technician for a clandestine radio. (One of the persons arrested was a radio technician at the Base Militar.) Córdova and Vizcaino, whose anti-Communist programs the authorities have previously tried to discourage, were variously reported to be still in jail and to have been expelled across the border into Mexico, developments which would suggest that the government's primary purpose in these cases was to muffle the voice of the opposition.

Similarly, police arrested Rubén VILLATORO, President of the Unión de Trabajadores Libres (UNTL) and three other officers of this organization. The UNTL is the small but vigorous anti-Communist labor association founded last October and it has been something of a thorn in the side of the Communist-dominated national labor federation, CGTG, which it recently embarrassed by a public challenge to debate why Guatemalan labor should follow the Soviet policy (Weeka 51, December, 1953). Villatoro is understood to have also been expelled across the Mexican frontier.

Speculation about Martínez' Departure for Switzerland Continued: Many rumors about the reasons behind the sudden departure of Major Alfonso MARTÍNEZ, Chief of the National Agrarian Committee, for Switzerland on January 13, continued to circulate in the press and among the public throughout the week and those gaining the widest credence held that Martínez had clashed with President Arbenz' pro-Communist views and had decided or been told to get out of the country. The government maintained a rigid silence until January 23 when Humberto GONZÁLEZ Juárez, the President's Secretary told a reporter that Martínez had left on doctors' orders for a check-up, and that it was untrue that he had broken with President Arbenz. González Juárez was commenting on an article in Mexico's La Prensa of January 23, which the Embassy regards as apocryphal; [illegible] reported that in an interview while passing through Mexico, Martínez had said he was leaving the government to live in Switzerland since he could no longer be useful to the President in view of threats of a "mass attack" against his person during the recent agrarian reform disturbances in the Department of Escuintla. The independent El Imparcial printed a story that Alvaro [illegible], the Paz Porras deputy, had warned Martínez that an attempt would be made against his life in Escuintla, that Martínez and the Communist leader PELLECER had spoken separately to the President about this on the morning of the 13th, and that Martínez immediately afterwards unexpectedly left the country. Another version among the public is that Martínez was teaming up with military figures to attempt to force President Arbenz to drop the Communists, and the President on finding this out ordered him out of the country. On the other hand, the provincial Diario de Guatemala front-paged

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a current story that Martínez was still in Guatemala. The truth was that no one believed the official "reasons of health" story, but no one had proof of an accurate version.

Communists Quickly Exploit Local Market Fire: In a graphic illustration of the local Communists' ability quickly to exploit situations to their advantage, Carlos Manuel PELLECER, a Communist leader of the CGTG labor federation, began to organize a relief committee for local market women within a few hours after a major fire in Guatemala City's No. 2 market burned down over 500 wooden shops and stalls. The Alianza Femenina Guatemalteca (AFG), the Communist-front women's organization, also stepped in quickly with offers for aid, but the anti-Communist organizations apparently did nothing, although the market women have been among their strongest supporters. The Communist-controlled organizations thus obtained a good deal of publicity although the actual work of reconstructing the market was quickly undertaken by the Guatemala City Municipal authorities. The CGTG, in an apparent attempt to discredit the municipality, then began to publicize complaints of market women who wanted their new shops to be on the exact locations of the old.

FOREIGN AFFAIRS

Foreign Minister Toriello Takes Office: Lic. Guillermo TORIELLO, until a fortnight ago Ambassador to Washington, took office as Foreign Minister on January 23 and delivered an address before the Chiefs of Mission on January 27 notable principally for its nationalistic pledge that Guatemala would continue its struggle for "economic liberation" and its assurance that Guatemala would continue to support the United Nations and the Organization of American States. The latter tended to reinforce the new general assumption here that Guatemala will attend the Caracas Conference in March.

LABOR

Second National Congress of the CGTG Opens With the Full Backing of the [illegible]: The [illegible] (CGTG), the Communist-dominated national labor federation, opened its Second National Congress on January 23 with the reading of a message from the Soviet trade unions and a fiery speech by Víctor Manuel GUTIÉRREZ, Communist CGTG Secretary General, who said that Guatemalan workers would oppose foreign intervention "arms in hand." The Congress, the first held since the founding Congress in October 1951, is being attended by a claimed 1500 delegates from a claimed 312 local unions and will elect CGTG officers to serve until the next Congress. The World Federation of Trade Unions (WFTU) has sent Guiseppe CASADEI and Rafael AVILA as its delegates and the Confederación de Trabajadores de América Latina (CTAL) has sent Antonio CARNERA.

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Unrest in the Armed Forces? The week's arrests in connection with a supposed plot to overthrow the Arbenz Administration naturally stimulated new rounds of discussion in anti-government circles about key military figures' loyalty to the government. The best evidence appeared to be that while senior officers and troop commanders, as a group, remained more attached to their privileges under the regime than disturbed by the situation, a few influential officers were becoming deeply concerned about the Communist problem although not yet ready to act. A respected colonel high in the government has been reported twice in the past few weeks as expressing the view that the Army will have to throw the Communists out, but that the time was not yet ripe. Another senior colonel, on detached service, was quoted as stating that if the Communists interfered in the work to which he was assigned he would deal harshly with them. A prominent anti-government figure recently mentioned that he knew a senior officer in a key position who was biding his time to participate in an anti-government activity. The speculation about the departure of Major Barrios for Switzerland after his difficulties with Communist interference in the Agrarian Reform further highlighted the class of opportunistic military and doctrinal Communist interests. Meanwhile, some opponents of the government are understood to believe that they have the cooperation or at least can count on the neutrality of some officers on active service. While these strands of evidence are far from indicating an organized anti-government faction within the Army, they do suggest that individual senior officers are edging in the direction of a state of mind leading toward anti-Arbenz activity.

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